

HEALTH ANNUAL STATEMENT

For the Year Ending December 31, 2001

OF THE CONDITION AND AFFAIRS OF THE

Community Care Plan

NAIC Group Code	0000	0000	NAIC Company Code	52619	Employer's ID Number	38-3128143
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	Michigan		
Country of Domicile	USA					
Licensed as business type:	Life, Accident & Health[ ] Vision Service Corporation[ ]		Property/Casualty[ ] Other[ ]		Health Service Corporation[ ] Health Maintenance Organization[X] Dental Service Corporation[ ] Is HMO Federally Qualified? Yes[ ] No[X]	
Date Incorporated or Organized	07/27/1993		Date Commenced Business	06/01/1996		
Statutory Home Office	2100 Raybrook Dr SE		Grand Rapids, MI 49546			
	(Street and Number)		(City, or Town, State and Zip Code)			
Main Administrative Office			2100 Raybrook Dr SE			
			(Street and Number)			
	Grand Rapids, MI 49546		(616)252-4592			
	(City or Town, State and Zip Code)		(Area Code) (Telephone Number)			
Mail Address	2100 Raybrook Dr SE		Grand Rapids, MI 49546			
	(Street and Number or P.O. Box)		(City, or Town, State and Zip Code)			
Primary Location of Books and Records			2100 Raybrook Dr Se			
			(Street and Number)			
	Grand Rapids, MI 49546		(616)252-4592			
	(City, or Town, State and Zip Code)		(Area Code) (Telephone Number)			
Internet Website Address	www.communitycareplan.org					
Statement Contact	Keith Sherwood		(616)252-4592 x			
	(Name)		(Area Code)(Telephone Number)(Extension)			
	Keith.Sherwood@metrogr.org		(616)252-4552 x			
	(E-Mail Address)		(Fax Number)			

President	William C. Cunningham DO
Secretary	Frank E. Belsito DO
Treasurer	William A. Busch

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

William Cunningham DO	Frank Belsito DO
William Busch	Ruth Cupp
Amy Sokolowski	Michael Faas

State of	Michigan
County of	Kent ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manuals except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature)	(Signature)	(Signature)
William C Cunningham	Frank E Belsito, DO	Keith O Sherwood
(Printed Name)	(Printed Name)	(Printed Name)
President	Secretary	Chief Financial Officer
	a. Is this an original filing?	Yes[X] No[ ]
	b. If no,	
	1. State the amendment number	
	2. Date filed	
	3. Number of pages attached	

Subscribed and sworn to before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 2002

\_\_\_\_\_  
(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets	Net Admitted Assets
1.	Bonds .....				579,190
2.	Stocks: .....				
2.1	Preferred stocks .....				
2.2	Common stocks .....				42,689
3.	Mortgage loans on real estate: .....				
3.1	First liens .....				
3.2	Other than first liens .....				
4.	Real estate (Schedule A): .....				
4.1	Properties occupied by the company (less \$..... encumbrances) .....			(a) .....	
4.2	Properties held for the production of income (less \$..... encumbrances) .....				
4.3	Properties held for sale (less \$..... encumbrances) .....				
5.	Cash (\$.....811,070, Schedule E - Part 1) and short-term investments (\$.....8,950,757, Schedule DA - Part 2) .....	9,761,827		9,761,827	5,446,081
6.	Other long-term invested assets .....				
7.	Receivable for securities .....				
8.	Aggregate write-ins for invested assets .....				
9.	Subtotals, cash and invested assets (Lines 1 to 8) .....	9,761,827		9,761,827	6,067,960
10.	Accident and health premiums due and unpaid .....				
11.	Health care receivables .....	1,956,569		1,956,569	1,108,201
12.	Amounts recoverable from reinsurers .....				
13.	Net adjustment in assets and liabilities due to foreign exchange rates .....				
14.	Investment income due and accrued .....	12,009		12,009	17,570
15.	Amounts due from parent, subsidiaries and affiliates .....				
16.	Amounts receivable relating to uninsured accident and health plans .....				
17.	Furniture and equipment .....	42,701	42,701		
18.	Amounts due from agents .....				
19.	Federal and foreign income tax recoverable and interest thereon (including \$..... net deferred tax asset) .....				
20.	Electronic data processing equipment and software .....	159,583	159,583		
21.	Other nonadmitted assets .....				
22.	Aggregate write-ins for other than invested assets .....	6,233	6,233		
23.	Total assets (Lines 9 plus 10 through 22) .....	11,938,922	208,517	11,730,405	7,193,731
DETAILS OF WRITE-INS					
0801	.....				
0802	.....				
0803	.....				
0898.	Summary of remaining write-ins for Line 8 from overflow page .....				
0899.	TOTALS (Lines 0801 through 0803 plus 0898) (Line 8 above) .....				
2201.	Prepaid Expenses .....	6,233	6,233		
2202	.....				
2203	.....				
2298.	Summary of remaining write-ins for Line 22 from overflow page .....				
2299.	TOTALS (Lines 2201 through 2203 plus 2298) (Line 22 above) .....	6,233	6,233		

(a) \$..... health care delivery assets included in Line 4.1, Column 3.

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$..... reinsurance ceded) .....	5,803,435	.....	5,803,435	3,258,459
2.	Accrued medical incentive pool and bonus payments .....	233,437	.....	233,437	337,051
3.	Unpaid claims adjustment expenses .....	.....	.....	.....	.....
4.	Aggregate policy reserves .....	.....	.....	.....	.....
5.	Aggregate claim reserves .....	.....	.....	.....	.....
6.	Premiums received in advance .....	.....	.....	.....	.....
7.	General expenses due or accrued .....	114,902	.....	114,902	111,010
8.	Federal and foreign income tax payable and interest thereon (including \$..... on realized capital gains (losses)) (including \$..... net deferred tax liability) .....	.....	.....	.....	.....
9.	Amounts withheld or retained for account of others .....	.....	.....	.....	.....
10.	Borrowed money (including \$..... current) and interest thereon \$..... (including\$..... current) .....	.....	.....	.....	.....
11.	Amounts due to parent, subsidiaries and affiliates .....	240,375	.....	240,375	153,611
12.	Payable to securities .....	.....	.....	.....	.....
13.	Funds held under reinsurance treaties with (\$..... authorized reinsurers and \$..... unauthorized reinsurers .....	.....	.....	.....	.....
14.	Reinsurance in unauthorized companies .....	.....	.....	.....	.....
15.	Net adjustments in assets and liabilities due to foreign exchange rates .....	.....	.....	.....	.....
16.	Liability for amounts held under uninsured accident and health plans .....	.....	.....	.....	.....
17.	Aggregate write-ins for other liabilities (including \$..... current) .....	.....	.....	.....	.....
18.	Total liabilities (Lines 1 to 17) .....	6,392,149	.....	6,392,149	3,860,131
19.	Common capital stock .....	X X X .....	X X X .....	.....	.....
20.	Preferred capital stock .....	X X X .....	X X X .....	.....	.....
21.	Gross paid in and contributed surplus .....	X X X .....	X X X .....	760,857	760,857
22.	Surplus notes .....	X X X .....	X X X .....	.....	.....
23.	Aggregate write-ins for other surplus funds .....	X X X .....	X X X .....	.....	.....
24.	Unassigned funds (surplus) .....	X X X .....	X X X .....	4,577,399	2,572,743
25.	Less treasury stock, at cost:	X X X .....	X X X .....	.....	.....
25.1	..... shares common (value included in Line 19 \$.....) .....	X X X .....	X X X .....	.....	.....
25.2	..... shares preferred (value included in Line 20 \$.....) .....	X X X .....	X X X .....	.....	.....
26.	Total capital and surplus (Lines 19 to 24 minus 25) .....	X X X .....	X X X .....	5,338,256	3,333,600
27.	Total liabilities, capital and surplus (Lines 18 and 26) .....	X X X .....	X X X .....	11,730,405	7,193,731
DETAILS OF WRITE-INS					
1701	.....	.....	.....	.....	.....
1702	.....	.....	.....	.....	.....
1703	.....	.....	.....	.....	.....
1798.	Summary of remaining write-ins for Line 17 from overflow page .....	.....	.....	.....	.....
1799.	TOTALS (Lines 1701 through 1703 plus 1798) (Line 17 above) .....	.....	.....	.....	.....
2301	.....	X X X .....	X X X .....	.....	.....
2302	.....	X X X .....	X X X .....	.....	.....
2303	.....	X X X .....	X X X .....	.....	.....
2398.	Summary of remaining write-ins for Line 23 from overflow page .....	X X X .....	X X X .....	.....	.....
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	X X X .....	X X X .....	.....	.....

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months .....	X X X .....	325,399	258,921
2.	Net premium income .....	X X X .....	43,779,077	30,793,310
3.	Change in unearned premium reserves and reserve for rate credits .....	X X X .....		
4.	Fee-for-service (net of \$..... medical expenses) .....	X X X .....		
5.	Risk revenue .....	X X X .....		
6.	Aggregate Write-Ins for Other health care related revenues .....	X X X .....		
7.	TOTAL REVENUES (Lines 2 to 6) .....	X X X .....	43,779,077	30,793,310
Medical and Hospital:				
8.	Hospital/medical benefits .....		16,426,804	7,549,879
9.	Other Professional Services .....		7,332,251	2,173,562
10.	Outside Referrals .....		3,438,285	2,974,243
11.	Emergency Room and Out-of-Area .....		2,188,726	998,584
12.	Aggregate Write-Ins for Other Medical and Hospital .....		9,821,256	13,439,131
13.	Incentive Pool and Withhold Adjustments .....		40,670	238,051
14.	Subtotal (Lines 8 to 13) .....		39,247,992	27,373,450
LESS:				
15.	Net Reinsurance Recoveries .....		34,391	(158,035)
16.	Total medical and Hospital (Lines 14 minus 15) .....		39,213,601	27,531,485
17.	Claims adjustment expenses .....			
18.	General administrative expenses .....		3,250,341	2,240,050
19.	Increase in reserves for accident and health contracts .....			
20.	Total underwriting deductions (Lines 16 through 19) .....		42,463,942	29,771,535
21.	Net underwriting gain or (Loss) (Lines 7 minus 20) .....	X X X .....	1,315,135	1,021,775
22.	Net investment income earned .....		252,148	298,905
23.	Net realized capital gains or (Losses) .....			
24.	Net investment gains or (Losses) (Lines 22 plus 23) .....		252,148	298,905
25.	Net gain or (Loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....)] .....			
26.	Aggregate write-ins for other income or expenses .....		445,411	10,323
27.	Net income or (Loss) before federal income taxes (Lines 21 plus 24 plus 25 plus 26) .....		2,012,694	1,331,003
28.	Federal and foreign income taxes incurred .....	X X X .....		
29.	Net income (Loss) (Lines 27 minus 28) .....	X X X .....	2,012,694	1,331,003
DETAILS OF WRITE-INS				
0601	.....	X X X .....		
0602	.....	X X X .....		
0603	.....	X X X .....		
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	X X X .....		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X .....		
1201.	Pharmacy .....		9,821,256	9,376,935
1202.	Outpatient Hospital .....			4,062,196
1203	.....			
1298.	Summary of remaining write-ins for Line 12 from overflow page .....			
1299.	TOTALS (Lines 1201 through 1203 plus 1298) (Line 12 above) .....		9,821,256	13,439,131
2601.	COB/Subrogation .....		12,120	10,323
2602.	Benchmak Award .....		433,291	
2603	.....			
2698.	Summary of remaining write-ins for Line 26 from overflow page .....			
2699.	TOTALS (Lines 2601 through 2603 plus 2698) (Line 26 above) .....		445,411	10,323

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
30.	Capital and surplus prior reporting year .....	3,333,600	2,125,876
GAINS AND LOSSES TO CAPITAL & SURPLUS			
31.	Net income or (Loss) from Line 29 .....	2,012,694	1,331,003
32.	Change in valuation basis of aggregate policy and claim reserves .....		
33.	Net unrealized capital gains and losses .....		
34.	Change in net unrealized foreign exchange capital gain or (Loss) .....		
35.	Change in net deferred income tax .....		
36.	Change in nonadmitted assets .....	(8,038)	(123,279)
37.	Change in unauthorized reinsurance .....		
38.	Change in treasury stock .....		
39.	Change in surplus notes .....		
40.	Cumulative effect of changes in accounting principles .....		
41.	Capital Changes:		
41.1	Paid in .....		
41.2	Transferred from surplus (Stock Dividend) .....		
41.3	Transferred to surplus .....		
42.	Surplus adjustments:		
42.1	Paid in .....		
42.2	Transferred to capital (Stock Dividend) .....		
42.3	Transferred from capital .....		
43.	Dividends to stockholders .....		
44.	Aggregate write-ins for gains or (Losses) in surplus .....		
45.	Net change in capital and surplus (Lines 31 to 44) .....	2,004,656	1,207,724
46.	Capital and surplus end of reporting year (Line 30 plus 45) .....	5,338,256	3,333,600
DETAILS OF WRITE-INS			
4401.	.....		
4402	.....		
4403	.....		
4498.	Summary of remaining write-ins for Line 44 from overflow page .....		
4499.	TOTALS (Lines 4401 through 4403 plus 4498) (Line 44 above) .....		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums and revenues collected net of reinsurance .....	43,779,077	30,927,683
2.	Claims and claims adjustment expenses .....	36,798,624	25,827,812
3.	General administrative expenses paid .....	3,246,449	2,494,857
4.	Other underwriting income (expenses) .....		
5.	Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....	3,734,004	2,605,014
6.	Net investment income .....	257,708	298,905
7.	Other income (expenses) .....	445,411	10,323
8.	Federal and foreign income taxes (paid) recovered .....		
9.	Net cash from operations (Line 5 to 8) .....	4,437,123	2,914,242
Cash from Investments			
10.	Proceeds from investments sold, matured or repaid:		
10.1 ...	Bonds .....	591,105	
10.2 ...	Stocks .....	56,101	
10.3 ...	Mortgage loans .....		
10.4 ...	Real estate .....		
10.5 ...	Other invested assets .....		
10.6 ...	Net gains or (losses) on cash and short-term investments .....		
10.7 ...	Miscellaneous proceeds .....		
10.8 ...	TOTAL investment proceeds (Lines 10.1 to 10.7) .....	647,206	
11.	Cost of investments acquired (long-term only):		
11.1 ...	Bonds .....	11,666	
11.2 ...	Stocks .....	18,564	
11.3 ...	Mortgage loans .....		
11.4 ...	Real estate .....		
11.5 ...	Other invested assets .....		
11.6 ...	Miscellaneous applications .....		
11.7 ...	TOTAL investments acquired (Lines 11.1 to 11.6) .....	30,230	
12.	Net cash from investments (Line 10.8 minus Line 11.7) .....	616,976	
Cash from Financing and Miscellaneous Sources			
13.	Cash provided:		
13.1 ...	Surplus notes, capital and surplus paid in .....		
13.2 ...	Net transfers from affiliates .....	86,764	
13.3 ...	Borrowed funds received .....		
13.4 ...	Other cash provided .....	23,251	
13.5 ...	TOTAL (Lines 13.1 to 13.4) .....	110,015	
14.	Cash applied:		
14.1 ...	Dividends to stockholder paid .....		
14.2 ...	Net transfers to affiliates .....		
14.3 ...	Borrowed funds repaid .....		
14.4 ...	Other applications .....	848,368	
14.5 ...	TOTAL (Lines 14.1 to 14.4) .....	848,368	
15.	Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5) .....	(738,353)	
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
16.	Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15) .....	4,315,746	2,914,242
17.	Cash and short-term investments:		
17.1 ...	Beginning of year .....	5,446,081	2,531,839
17.2 ...	End of year (Line 16 plus Line 17.1) .....	9,761,827	5,446,081

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS  
(Gain and Loss Exhibit)

		1	2	3	4	5	6	7	8	9	10	11	12	13
		Total	Comprehensive (Hospital & Medical)	Medical Only	Medicare Supplemental	Dental Only	Vision Only	Federal Employee Health Benefit Plan	Title XVIII- Medicare	Title XIX- Medicaid	Stop Loss	Disability Income	Long- term Care	Other
1.	Net premium income .....	43,779,077								43,779,077				
2.	Change in unearned premium reserves and reserve for rate credit .....													
3.	Fee-for-service (net of \$..... medical expenses) .....													
4.	Risk revenue .....													
5.	Aggregate write-ins for other health care related revenues .....													
6.	Total revenues (Lines 1 to 5) .....	43,779,077								43,779,077				
7.	Medical/hospital benefits .....	16,426,804								16,426,804				
8.	Other professional services .....	7,332,251								7,332,251				
9.	Outside referrals .....	3,438,285								3,438,285				
10.	Emergency Room and Out-of-Area .....	2,188,726								2,188,726				
11.	Aggregate write-ins for other medical and hospital .....	9,821,256								9,821,256				
12.	Incentive pool and withhold adjustments .....	40,670								40,670				
13.	Subtotal (Lines 7 to 12) .....	39,247,992								39,247,992				
14.	Net Reinsurance Recoveries .....	34,391								34,391				
15.	Total medical and hospital (Lines 13 minus 14) .....	39,213,601								39,213,601				
16.	Claims adjustment expenses .....													
17.	General administrative expenses .....	3,250,341								3,250,341				
18.	Increase in reserves for accident and health contracts .....													
19.	Total underwriting deductions (Lines 15 to 18) .....	42,463,942								42,463,942				
20.	Net underwriting gain or (Loss) (Line 6 minus Line 19) .....	1,315,135								1,315,135				
DETAILS OF WRITE-INS														
0501	.....													
0502	.....													
0503	.....													
0598.	Summary of remaining write-ins for Line 5 from overflow page .....													
0599.	TOTAL (Lines 0501 through 0503 plus 0598) (Line 5 above) .....													
1101.	Pharmacy .....	9,821,256								9,821,256				
1102	.....													
1103	.....													
1198.	Summary of remaining write-ins for Line 11 from overflow page .....													
1199.	TOTAL (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	9,821,256								9,821,256				

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 1 - PREMIUMS**

		1	2	3	4
		Direct	Reinsurance	Reinsurance	Net Premium
Line of Business		Business	Assumed	Ceded	Income
					(Columns
					1 + 2 - 3)
1.	Comprehensive (medical and hospital) .....	.....	.....	.....	.....
2.	Medicare Supplemental .....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan				
	Premiums .....	.....	.....	.....	.....
6.	Title XVIII - Medicare .....	.....	.....	.....	.....
7.	Title XIX - Medicaid .....	44,148,540	.....	369,463	43,779,077
8.	Other .....	.....	.....	.....	.....
9.	TOTALS .....	44,148,540	.....	369,463	43,779,077



UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Medical & Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1. Payments during the year:									
1.1 Direct .....	36,765,960							36,765,960	
1.2 Reinsurance assumed .....									
1.3 Reinsurance ceded .....									
1.4 Net .....	36,765,960							36,765,960	
2. Paid medical incentive pools and bonuses .....									
3. Claim liability December 31, current year from Part 2A:									
3.1 Direct .....	5,803,435							5,803,435	
3.2 Reinsurance assumed .....									
3.3 Reinsurance ceded .....									
3.4 Net .....	5,803,435							5,803,435	
4. Claim reserve December 31, current year from Part 2D:									
4.1 Direct .....									
4.2 Reinsurance assumed .....									
4.3 Reinsurance ceded .....									
4.4 Net .....									
5. Accrued medical incentive pools and bonuses, current year .....	233,437							233,437	
6. Amounts recoverable from reinsurers December 31, current year .....									
7. Claim liability December 31, prior year from Part 2A:									
7.1 Direct .....	3,258,459							3,258,459	
7.2 Reinsurance assumed .....									
7.3 Reinsurance ceded .....									
7.4 Net .....	3,258,459							3,258,459	
8. Claim reserve December 31, prior year from Part 2D:									
8.1 Direct .....									
8.2 Reinsurance assumed .....									
8.3 Reinsurance ceded .....									
8.4 Net .....									
9. Accrued medical incentive pools and bonuses, prior year .....	337,051							337,051	
10. Amounts recoverable from reinsurers December 31, prior year .....									
11. Incurred benefits:									
11.1 Direct .....	39,310,936							39,310,936	
11.2 Reinsurance assumed .....									
11.3 Reinsurance ceded .....									
11.4 Net .....	39,310,936							39,310,936	
12. Incurred medical incentive pools and bonuses .....	(103,614)							(103,614)	

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2A - Claims Liability End of Current Year

		1	2	3	4	5	6	7	8	9
		Total	Compre- hensive (Medical & Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1.	Reported in Process of Adjustment:									
	1.1 Direct .....	1,505,740	.....	.....	.....	.....	.....	.....	1,505,740	.....
	1.2 Reinsurance assumed .....		.....	.....	.....	.....	.....	.....		.....
	1.3 Reinsurance ceded .....		.....	.....	.....	.....	.....	.....		.....
	1.4 Net .....	1,505,740	.....	.....	.....	.....	.....	.....	1,505,740	.....
2.	Incurred but Unreported:									
	2.1 Direct .....	4,297,695	.....	.....	.....	.....	.....	.....	4,297,695	.....
	2.2 Reinsurance assumed .....		.....	.....	.....	.....	.....	.....		.....
	2.3 Reinsurance ceded .....		.....	.....	.....	.....	.....	.....		.....
	2.4 Net .....	4,297,695	.....	.....	.....	.....	.....	.....	4,297,695	.....
3.	Amounts Withheld from Paid Claims and Capitations:									
	3.1 Direct .....		.....	.....	.....	.....	.....	.....		.....
	3.2 Reinsurance assumed .....		.....	.....	.....	.....	.....	.....		.....
	3.3 Reinsurance ceded .....		.....	.....	.....	.....	.....	.....		.....
	3.4 Net .....		.....	.....	.....	.....	.....	.....		.....
4.	TOTALS									
	4.1 Direct .....	5,803,435	.....	.....	.....	.....	.....	.....	5,803,435	.....
	4.2 Reinsurance assumed .....		.....	.....	.....	.....	.....	.....		.....
	4.3 Reinsurance ceded .....		.....	.....	.....	.....	.....	.....		.....
	4.4 Net .....	5,803,435	.....	.....	.....	.....	.....	.....	5,803,435	.....

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5  Claims Incurred in Prior Years (Columns 1 + 3)	6  Estimated Claim Reserve and Claim Liability December 31 of Prior Year
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred Durring the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1.	Comprehensive (medical and hospital) .....	.....	.....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan Premiums .....	.....	.....	.....	.....	.....	.....
6.	Title XVIII - Medicare .....	.....	.....	.....	.....	.....	.....
7.	Title XIX - Medicaid .....	2,386,548	34,379,412	(9,849)	5,813,284	2,376,699	2,406,458
8.	Other .....	.....	.....	.....	.....	.....	.....
9.	Subtotals .....	2,386,548	34,379,412	(9,849)	5,813,284	2,376,699	2,406,458
10.	Medical incentive pools, accrual and disbursements .....	.....	.....	.....	233,437	.....	.....
11.	TOTALS .....	2,386,548	34,379,412	(9,849)	6,046,721	2,376,699	2,406,458

12	Underwriting Invest Exh Pt 2C Sn A - Claims Incur. ....	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Claims Incur. ....	NONE
12.1	Underwriting Invest Exh Pt 2C Sn A - Claims Incur. ....	NONE
12.1	Underwriting Invest Exh Pt 2C Sn B - Claims Incur. ....	NONE
12.2	Underwriting Invest Exh Pt 2C Sn A - Claims Incur. ....	NONE
12.2	Underwriting Invest Exh Pt 2C Sn B - Claims Incur. ....	NONE
12.3	Underwriting Invest Exh Pt 2C Sn A - Claims Incur. ....	NONE
12.3	Underwriting Invest Exh Pt 2C Sn B - Claims Incur. ....	NONE
12.4	Underwriting Invest Exh Pt 2C Sn A - Claims Incur. ....	NONE
12.4	Underwriting Invest Exh Pt 2C Sn B - Claims Incur. ....	NONE
12.5	Underwriting Invest Exh Pt 2C Sn A - Claims Incur. ....	NONE
12.5	Underwriting Invest Exh Pt 2C Sn B - Claims Incur. ....	NONE

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF INCURRED CLAIMS  
(000 Omitted)

Title XIX - Medicaid

Section A

Year in Which Losses Were Incurred		Net Amounts Paid				
		1 1997	2 1998	3 1999	4 2000	5 2001
1.	Prior .....					
2.	1997 .....	2,980,101	913,997	22,198		
3.	1998 .....	X X X	6,291,184	3,126,252	68,569	
4.	1999 .....	X X X	X X X	20,341,368	3,080,975	194,330
5.	2000 .....	X X X	X X X	X X X	27,357,136	5,051,106
6.	2001 .....	X X X	X X X	X X X	X X X	34,638,216

Section B

Year in Which Losses Were Incurred		Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1997	2 1998	3 1999	4 2000	5 2001
1.	Prior .....					
2.	1997 .....					
3.	1998 .....	X X X				
4.	1999 .....	X X X	X X X			
5.	2000 .....	X X X	X X X	X X X		
6.	2001 .....	X X X	X X X	X X X	X X X	

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF INCURRED CLAIMS  
(000 Omitted)

Other

Section A

Year in Which Losses Were Incurred		Net Amounts Paid				
		1 1997	2 1998	3 1999	4 2000	5 2001
1.	Prior .....	NONE				
2.	1997 .....					
3.	1998 .....					
4.	1999 .....		X X .....			
5.	2000 .....		X X .....	X X X .....		
6.	2001 .....		X X X .....	X X X .....	X X X .....	

Section B

Year in Which Losses Were Incurred		Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1997	2 1998	3 1999	4 2000	5 2001
1.	Prior .....	NONE				
2.	1997 .....					
3.	1998 .....					
4.	1999 .....		X X .....			
5.	2000 .....		X X .....	X X X .....		
6.	2001 .....		X X X .....	X X X .....	X X X .....	

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF INCURRED CLAIMS  
(000 Omitted)

Grand Total

Section A

Year in Which Losses Were Incurred		Net Amounts Paid				
		1 1997	2 1998	3 1999	4 2000	5 2001
1.	Prior .....					
2.	1997 .....	2,980,101	913,997	22,198		
3.	1998 .....	X X X	6,291,184	3,126,252	68,569	
4.	1999 .....	X X X	X X X	20,341,368	3,080,975	194,330
5.	2000 .....	X X X	X X X	X X X	27,357,136	5,051,106
6.	2001 .....	X X X	X X X	X X X	X X X	34,638,216

Section B

Year in Which Losses Were Incurred		Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1997	2 1998	3 1999	4 2000	5 2001
1.	Prior .....					
2.	1997 .....					
3.	1998 .....	X X X				
4.	1999 .....	X X X	X X X			
5.	2000 .....	X X X	X X X	X X X		
6.	2001 .....	X X X	X X X	X X X	X X X	

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
	POLICY RESERVE								
1. Unearned premium reserves .....									
2. Additional policy reserves (a) .....									
3. Reserve for future contingent benefits .....									
4. Reserve for rate credits or experience rating refunds (including \$#####) for investment income .....									
5. Aggregate write-ins for other policy reserves .....									
6. Totals (gross) .....									
7. Reinsurance ceded .....									
8. Totals (Net) (Page 3, Line 4) .....									
	CLAIM RESERVE								
9. Present value of amounts not yet due on claims .....									
10. Reserve for future contingent benefits .....									
11. Aggregate write-ins for other claim reserves .....									
12. Totals (gross) .....									
13. Reinsurance ceded .....									
14. Totals (Net) (Page 3, Line 5) .....									
DETAILS OF WRITE-INS									
0501 .....									
0502 .....									
0503 .....									
0598. Summary of remaining write-ins for Line 5 from overflow page .....									
0599. Totals (Lines 0501 through 0503 plus 0598)(Line 5 above) .....									
1101 .....									
1102 .....									
1103 .....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....									
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above) .....									

(a) Includes \$..... premium deficiency reserve.



UNDERWRITING AND INVESTMENT EXHIBIT  
PART 3 - ANALYSIS OF EXPENSES

	1 Claim Adjustment Expenses	2 General Administrative Expenses	3 Investment Expenses	4 Total
1. Rent (\$.....77,367 for occupancy of own building) .....		77,367		77,367
2. Salaries, wages and other benefits .....				
3. Commissions (less \$..... ceded plus \$..... assumed) .....				
4. Legal fees and expenses .....		58,122		58,122
5. Certifications and accreditation fees .....		16,728		16,728
6. Auditing, actuarial and other consulting services .....		302,351		302,351
7. Traveling expenses .....		30,628		30,628
8. Marketing and advertising .....				
9. Postage, express and telephone .....		90,192		90,192
10. Printing and office supplies .....		49,354		49,354
11. Occupancy, depreciation and amortization .....		61,936		61,936
12. Equipment .....				
13. Cost or depreciation of EDP equipment and software .....				
14. Outsourced services including EDP, claims, and other services .....		2,257,390		2,257,390
15. Boards, bureaus and association fees .....		63,058		63,058
16. Insurance, except on real estate .....		38,849		38,849
17. Collection and bank service charges .....		12,203		12,203
18. Group service and administration fees .....				
19. Reimbursements by uninsured accident and health plans .....				
20. Reimbursements from fiscal intermediaries .....				
21. Real estate expenses .....				
22. Real estate taxes .....				
23. Taxes, licenses and fees:				
23.1 State and local insurance taxes .....				
23.2 State premium taxes .....				
23.3 Regulator authority licenses and fees .....				
23.4 Payroll taxes .....				
23.5 Other (excluding federal income and real estate taxes) .....				
24. Investment expenses not included elsewhere .....				
25. Aggregate write-ins for expenses .....		192,163		192,163
26. Total expenses incurred (Lines 1 to 25) .....		3,250,341		(a)..... 3,250,341
27. Add expenses unpaid December 31, prior year .....		111,010		111,010
28. Less expenses unpaid December 31, current year .....		114,902		114,902
29. Amounts receivable relating to uninsured accident and health plans, prior year .....				
30. Amounts receivable relating to uninsured accident and health plans, current year .....				
31. Total expenses paid (Lines 26 plus 27 minus 28 plus 29 minus 30) .....		3,246,449		3,246,449
DETAILS OF WRITE-INS				
2501. Office Supplies & Expense .....		183,790		183,790
2502. Recruitment .....		6,184		6,184
2503. Rent Equipment .....		2,189		2,189
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 through 2503 + 2598)(Line 25 above) .....		192,163		192,163

(a) Includes management fees of \$.....2,021,025 to affiliates and \$..... to non-affiliates.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 4 - INTEREST, DIVIDENDS AND REAL ESTATE INCOME

		1 Collected During Year	Current Year			5 Prior Year Due and Accrued and Unearned	6 Earned During Year (Cols.1 - 2 + 3 + 4 - 5)
			2 Unearned	3 Due and Accrued (g)	4 Foreign Exchange Adjustment		
	Schedule						
1.	Government bonds .....	D(a) ..	7,598			8,072	(474)
1.1	Other bonds (unaffiliated) .....	D(a) ..					
1.2	Bonds of affiliates .....	D(a) ..					
2.1	Preferred stocks (unaffiliated) .....	D(b) ..					
2.11	Preferred stocks of affiliates .....	D(b) ..					
2.2	Common stocks (unaffiliated) .....	D ..					
2.21	Common stocks of affiliates .....	D ..					
3.	Mortgage loans .....	B(c) ..					
4.	Real estate .....	A(d) ..					
5.1	Cash on hand and on deposit .....		129,137				129,137
5.2	Short-term investments .....	DA(e) .	120,973	12,009		9,497	123,485
6.	Other invested assets .....	BA ..					
7.	Derivative instruments .....	DB(f) ..					
8.	Aggregate write-ins for investment income .....						
9.	TOTALS .....		257,708	12,009		17,569	252,148

						DEDUCTIONS		
10.	Total investment expenses incurred (Part 3, Line 26, Col. 3) .....					(h).		
11.	Interest expense .....							
12.	Depreciation on real estate .....							
13.	Aggregate write-ins for other deductions .....							
14.	Total deductions (Lines 10 to 13) .....							
15.	Net investment income earned (Line 9 minus Line 14)(to Page 4, Line 22) .....							252,148

**DETAILS OF WRITE-INS**

0801	.....	.. X X X .						
0802	.....	.. X X X .						
0803	.....	.. X X X .						
0898.	Summary of remaining write-ins for Line 8 from overflow page .....	.. X X X .						
0899.	Totals (Lines 0801 through 0803 plus 0898)(Part 4, Line 8) .....	.. X X X .						

1301	.....							
1302	.....							
1303	.....							
1398.	Summary of remaining write-ins for Line 13 from overflow page .....							
1399.	Totals (Lines 1301 through 1303 plus 1398)(Part 4, Line 13) .....							

(a) Includes \$..... accrual of discount less \$..... amortization of premium.

(b) Includes \$..... accrual of discount less \$..... amortization of premium.

(c) Includes \$..... accrual of discount less \$..... amortization of premium.

(d) Includes \$..... for corporation's occupancy of its own buildings.

(e) Includes \$..... accrual of discount less \$..... amortization of premium.

(f) Includes \$..... accrual of discount less \$..... amortization of premium.

(g) Admitted items only. State basis of exclusions for corporation's occupancy of its own buildings:

(h) Includes \$..... interest on surplus notes and \$..... interest on capital notes.

PART 4A - CAPITAL GAINS AND (LOSSES) ON INVESTMENTS

		1	2	3	4	5	6	7
		Realized Profit (Loss) on Sale or Maturity	Realized Foreign Exchange Profit (Loss) on Sale or Maturity	Other Realized Adjustment	Increase (Decrease) by Adjustments	Unrealized Foreign Exchange Gain (Loss)	Net Gain (Loss) from Change in Difference Between Book/ Adjusted Carrying and Admitted Values	Total (Sum of Columns 1 to 6)
1.	Government bonds .....							
1.1	Other bonds (unaffiliated) .....							
1.2	Bonds of affiliates .....							
2.1	Preferred stocks (unaffiliated) .....							
2.11	Preferred stocks of affiliates .....							
2.2	Common stocks (unaffiliated) .....							
2.21	Common stocks of affiliates .....							
3.	Mortgage loans .....							
4.	Real estate .....				(a)			
5.1	Cash on hand and on deposit .....							
5.2	Short-term investments .....							
6.	Other invested assets .....							
7.	Derivative instruments .....							
8.	Aggregate write-ins for capital gains and (losses) .....							
9.	TOTALS .....							

(Distribution of Line 9, Col.7)								
10.	Net realized capital gains or (losses) (Page 4, Line 23)(Line 9, Col. 1 + 2 + 3) .....							
11.	Net unrealized capital gains or (losses) .....							

**DETAILS OF WRITE-INS**

0801	.....							
0802	.....							
0803	.....							
0898.	Summary of remaining write-ins for Line 8 from overflow page .....							
0899.	TOTALS (Lines 0801 through 0803 plus 0898) (Part 4A, Line 8) .....							

(a) Excluding \$..... depreciation on real estate included in Part 4, Line 12.

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

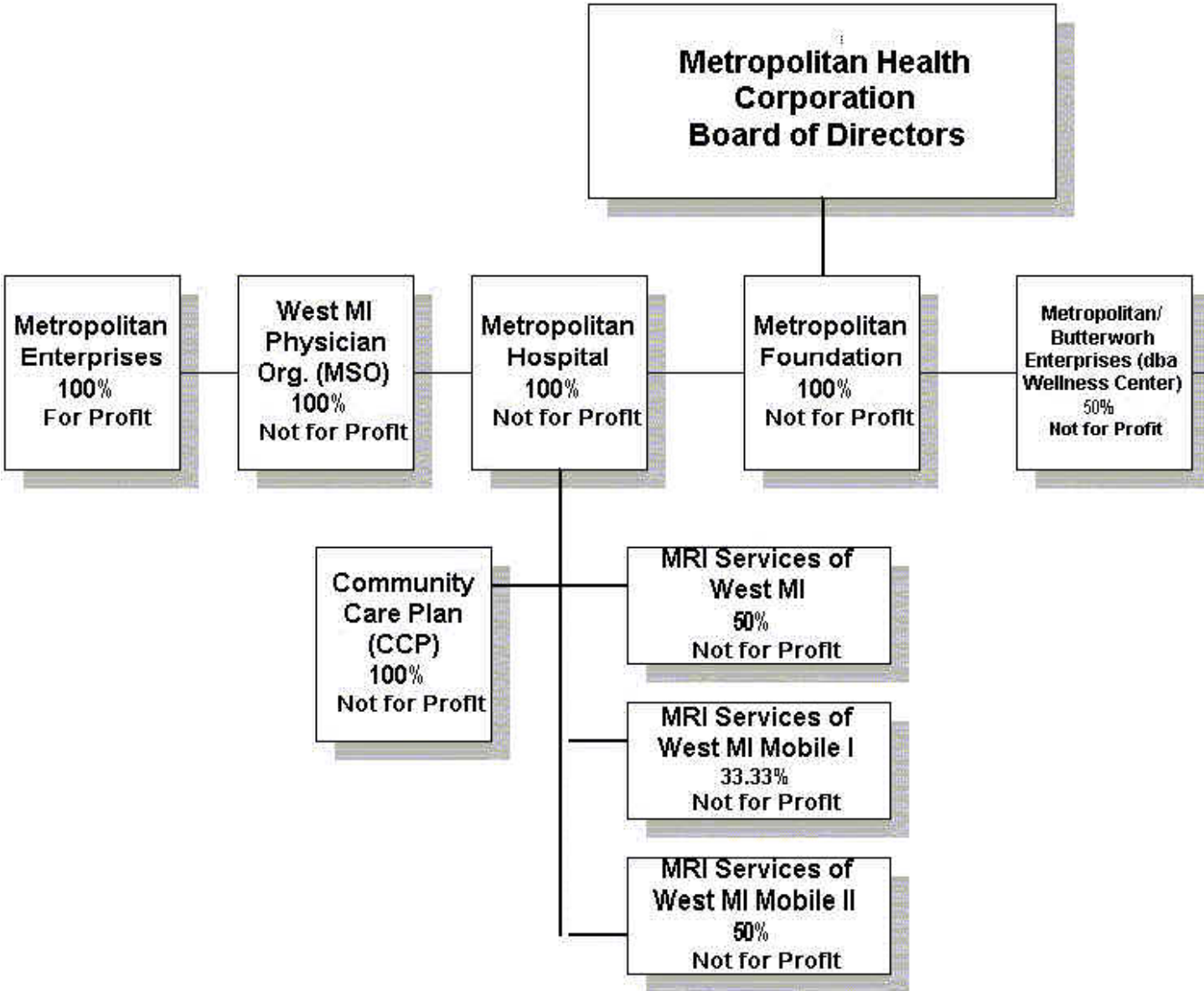
		1	2	3
		End of Current Year	End of Prior Year	Changes for Year (Increase) or Decrease
1.	Summary of items Page 2, Lines 10 to 16 and 19 to 20, Column 2 .....	159,583	170,995	11,412
2.	Other Nonadmitted Assets:			
2.1	Furniture and Equipment .....	42,701		(42,701)
2.2	Leasehold improvements .....			
2.3	Amounts due from agents .....			
3.	TOTAL (Lines 2.1 to 2.3) .....	42,701		(42,701)
4.	Loans on company stock .....			
5.	Aggregate write-ins for other than invested assets .....	6,233	29,484	23,251
6.	TOTAL (Line 1 plus 3 through 5) .....	208,517	200,479	(8,038)
DETAILS OF WRITE-INS				
0501.	Prepaid Expenses .....	6,233	29,484	23,251
0502	.....			
0503	.....			
0598.	Summary of remaining write-ins for Line 5 from overflow page .....			
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....	6,233	29,484	23,251

EXHIBIT 2 - ENROLLMENT BY PRODUCT TYPE

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations .....	22,382	25,013	26,405	28,370	30,636	325,399
2.	Provider Service Organizations .....						
3.	Preferred Provider Organizations .....						
4.	Point of Service .....						
5.	Indemnity Only .....						
6.	Aggregate write-ins for other lines of business .....						
7.	Total .....	22,382	25,013	26,405	28,370	30,636	325,399
DETAILS OF WRITE-INS							
0601	.....						
0602	.....						
0603	.....						
0698.	Summary of remaining write-ins for Line 6 from overflow page .....						
0699.	Totals (Lines 0601 through 0603 plus 0698)(Line 6 above) .....						

Notes to Financial Statement

Metropolitan Health System



SUMMARY INVESTMENT SCHEDULE

Investment Categories		Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
		1 Amount	2 Percentage	3 Amount	4 Percentage
1.	Bonds:				
1.1	U.S. treasury securities .....				
1.2	U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21	Issued by U.S. government agencies .....				
1.22	Issued by U.S. government sponsored agencies .....				
1.3	Foreign government (including Canada, excluding mortgage-backed securities) .....				
1.4	Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41	States, territories and possessions general obligations .....				
1.42	Political subdivisions of states, territories and possessions and political subdivisions general obligations .....				
1.43	Revenue and assessment obligations .....				
1.44	Industrial development and similar obligations .....				
1.5	Mortgage-backed securities (includes residential and commercial MBS):				
1.51	Pass-through securities:				
1.511	Guaranteed by GNMA .....				
1.512	Issued by FNMA and FHLMC .....				
1.513	Privately issued .....				
1.52	CMOs and REMICs:				
1.521	Issued by FNMA and FHLMC .....				
1.522	Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC .....				
1.523	All other privately issued .....				
2.	Other debt and other fixed income securities (excluding short term):				
2.1	Unaffiliated domestic securities (includes credit tenant loans rated by the SVO) .....				
2.2	Unaffiliated foreign securities .....				
2.3	Affiliated securities .....				
3.	Equity interests:				
3.1	Investments in mutual funds .....				
3.2	Preferred stocks:				
3.21	Affiliated .....				
3.22	Unaffiliated .....				
3.3	Publicly traded equity securities (excluding preferred stocks):				
3.31	Affiliated .....				
3.32	Unaffiliated .....				
3.4	Other equity securities:				
3.41	Affiliated .....				
3.42	Unaffiliated .....				
3.5	Other equity interests including tangible personal property under lease:				
3.51	Affiliated .....				
3.52	Unaffiliated .....				
4.	Mortgage loans:				
4.1	Construction and land development .....				
4.2	Agricultural .....				
4.3	Single family residential properties .....				
4.4	Multifamily residential properties .....				
4.5	Commercial loans .....				
5.	Real estate investments:				
5.1	Property occupied by company .....				
5.2	Property held for production of income (includes \$..... of property acquired in satisfaction of debt) .....				
5.3	Property held for sale (\$..... including property acquired in satisfaction of debt) .....				
6.	Policy loans .....				
7.	Receivables for securities .....				
8.	Cash and short-term investments .....			9,761,827	100.000
9.	Other invested assets .....				
10.	Total invested assets .....			9,761,827	100.000

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[ ] No[X]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principle insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[ ] No[X] N/A[ ]
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[X] No[ ]
- 2.2 If yes, date of change:  
If not previously filed, furnish herewith a certified copy of the instrument as amended.

03/01/2001
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2001
- 3.2 State as of what date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

04/01/2002
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).
- 3.4 By what department or departments?
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

Yes[ ] No[X]
- 4.11 sales of new business?

Yes[ ] No[X]
- 4.12 renewals?
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

Yes[ ] No[X]
- 4.21 sales of new business?

Yes[ ] No[X]
- 4.22 renewals?
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[ ] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
N/A		

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action either formal or informal, if a confidentiality clause is part of the agreement)

Yes[ ] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[ ] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

%
- 7.22 State the nationality(s) of the foreign person(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity
N/A	

GENERAL INTERROGATORIES (continued)

8.

What interest, direct or indirect, has this reporting entity in the capital stock of any other insurance company?  
None

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
CROWE, CHIZEK AND COMPANY LLP, 330 EAST JEFFERSON BOULEVARD POST OFFICE 7, SOUTH BEND, IND 46624

10.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Ernst & Young LLP, Sears Tower, 233 South Wacker Drive, Chicago, IL 60606-6301

11.

Except for retirement plans generally applicable to its staff employees, has the reporting entity any agreement with any person, other than contracts with its agents for the payment of commissions whereby it agrees that for any service rendered or to be rendered, that he/she shall receive directly or indirectly, any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement?

Yes[ ] No[X]

12.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITES ONLY:

12.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

12.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[ ] No[X]

12.3

Have there been any changes made to any of the trust indentures during the year?

Yes[ ] No[X]

12.4

If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes[ ] No[X] N/A[ ]

13.

Have the instructions for completing the blank required by this department been followed in every detail?

Yes[ ] No[X]

BOARD OF DIRECTORS

14.

Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committees thereof?

Yes[ ] No[X]

15.

Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[ ]

16.

Did any person while an officer, director, or trustee of the reporting entity receive directly or indirectly, during the period covered by this statement any commission on the business transactions of the reporting entity?

Yes[ ] No[X]

17.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or is likely to conflict with the official duties of such person?

Yes[X] No[ ]

FINANCIAL

18.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

18.11

To directors or other officers

\$ .....

18.12

To stockholders not officers

\$ .....

18.13

Trustees, supreme or grand (Fraternal only)

\$ .....

18.2

Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

18.21

To directors or other officers

\$ .....

18.22

To stockholders not officers

\$ .....

18.23

Trustees, supreme or grand (Fraternal only)

\$ .....

19.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[ ] No[X]

19.2

If yes, state the amount thereof at December 31 of the current year:

19.21

Rented from others

\$ .....

19.22

Borrowed from others

\$ .....

19.23

Leased from others

\$ .....

19.24

Other

\$ .....

Disclose in Notes to Financial the nature of each obligation.

20.1

Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[ ] No[X]

20.2

If answer is yes:

20.21

Amount paid as losses or risk adjustment

\$ .....

20.22

Amount paid as expenses

\$ .....

20.23

Other amounts paid

\$ .....



GENERAL INTERROGATORIES (continued)  
INVESTMENT

21.1 List the following capital stock information for the reporting entity:

	1	2	3	4	5	6
Class	Number of Shares Authorized	Number of Shares Outstanding	Par Value Per Share	Redemption Price If Callable	Is Dividend Rate Limited?	Are Dividends Cumulative?
1. Preferred .....	.....	.....	.....	.....	.... Yes[ ] No[X] ....	.... Yes[ ] No[X] ....
2. Common .....	..... 1,000.000	..... 100.000	.....	..... X X X .....	..... X X X .....	..... X X X .....

22.1 Were all the stocks, bonds and other securities owned December 31 current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 2 - Special Deposits? Yes[X] No[ ]

22.2 If no, give full and complete information, relating thereto:

23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E - Part 2 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 23.2) Yes[ ] No[X]

23.2 If yes, state the amount thereof at December 31 of the current year:

23.21 Loaned to others

23.22 Subject to repurchase agreements

23.23 Subject to reverse repurchase agreements

23.24 Subject to dollar repurchase agreements

23.25 Subject to reverse dollar repurchase agreements

23.26 Pledged as collateral

23.27 Placed under option agreements

23.28 Letter stock or securities restricted as to sale

23.29 Other

\$ .....

\$ .....

\$ .....

\$ .....

\$ .....

\$ .....

\$ .....

\$ .....

\$ .....

23.3 For each category above, if any of these assets are held by other, identify by whom held:

23.31  
N/A  
23.32  
N/A  
23.33  
N/A  
23.34  
N/A  
23.35  
N/A  
23.36  
N/A  
23.37  
N/A  
23.38  
N/A  
23.39  
N/A

For categories (23.21) and (23.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

23.4 For category (23.28) provide the following:

1	2	3
Nature of Restriction	Description	Amount
N/A .....	.....	.....

24.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[ ] No[X]  
24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[ ] No[X] N/A[ ]  
If no, attach a description with this statement.

25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[ ] No[X]

25.2 If yes, state the amount thereof at December 31 of the current year \$ .....

GENERAL INTERROGATORIES (continued)  
OTHER

26.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ .....  
26.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
N/A .....	.....

27.1 Amount of payments for legal expenses, if any? \$ ..... 58,122  
27.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Cook, Goetz, Rogers .....	..... 58,122

28.1 Amount of payment for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ .....  
28.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
N/A .....	.....

29. What officials or heads of departments of the reporting entity supervised the making of this report?  
Keith Sherwood, Chief Financial Officer

30.1 Has any direct new business been solicited or written in any state where the reporting entity was not licensed? Yes[ ] No[X]  
30.2 If yes, explain:



FIVE-YEAR HISTORICAL DATA

	1 2001	2 2000	3 1999	4 1998	5 1997
<b>BALANCE SHEET ITEMS (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 23) .....	11,730,405	7,193,731	5,188,793	2,850,719	1,464,692
2. Total liabilities (Page 3, Line 18) .....	6,392,149	3,860,131	3,063,096	1,986,359	654,101
3. Statutory surplus .....	1,000,000	589,417	500,000	500,000	500,000
4. Total capital and surplus (Page 3, Line 26) .....	5,338,256	3,333,600	2,125,876	864,360	810,591
<b>INCOME STATEMENT ITEMS (Page 4)</b>					
5. Total revenues (Line 7) .....	43,779,077	30,793,310	21,655,531	8,525,927	4,476,667
6. Total medical and hospital expenses (Line 14) .....	39,247,992	27,373,450	19,202,277	7,798,026	3,824,081
7. Total administrative expenses (Line 18) .....	3,250,341	2,240,050	1,400,548	863,999	716,828
8. Net underwriting gain (loss) Line 21) .....	1,315,135	1,021,775	1,267,350	(42,031)	64,242
9. Net investment gain (loss) Line 24) .....	252,148	298,905	214,644	94,067	40,916
10. Total other income (Lines 25 plus 26) .....	445,411	10,323			
11. Net income or (loss) Line 27) .....	2,012,694	1,331,003	1,267,350	(42,031)	(64,242)
<b>RISK-BASED CAPITAL ANALYSIS</b>					
12. Total adjusted capital .....	5,338,256	3,333,600	2,125,876	864,360	X X X
13. Authorized control level risk-based capital .....	2,004,583	1,756,608	1,120,210	455,466	X X X
<b>ENROLLMENT (Exhibit 2)</b>					
14. Total members at end of period (Column 5, Line 7) .....	30,636	22,382	20,364	15,564	5,811
15. Total members months (Column 6, Line 7) .....	325,399	258,921	231,206	106,920	62,611
<b>OPERATING PERCENT (Page4)</b>					
<b>(Item divided by Page 4, Line2)</b>					
16. Premiums earned (Line 2) .....	100.0	100.0	100.0	100.0	100.0
17. Total medical and hospital (Line 14) .....	89.7	88.9	89.0	91.0	84.0
18. Total underwriting deductions (Line 20) .....	97.0	96.7	95.0	101.0	100.0
19. Total underwriting gain (loss) (Line 21) .....	3.0	3.3	5.0	(1.0)	
<b>UNPAID CLAIMS ANALYSIS</b>					
<b>(U&amp;I Exhibit, 2B)</b>					
20. Total claims incurred for prior years (Line 11, Col. 5) .....	2,376,699	1,501,688	1,540,204	491,862	162,705
21. Estimated liability of unpaid claims-prior year (Line 11, Col. 6) ....	2,406,458	2,150,200	1,533,180	1,041,318	309,795

FIVE-YEAR HISTORICAL DATA (Continued)

		1 2001	2 2000	3 1999	4 1998	5 1997
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES						
22.	Affiliated bonds (Sch. D Summary, Line 25, Col. 1) .....					
23.	Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1) .....					
24.	Affiliated common stocks (Sch. D Summary, Line 53, Col. 2) .....	N O N E				
25.	Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11) .....					
26.	Affiliated mortgage loans on real estate .....					
27.	All other affiliated .....					
28.	Total of above Lines 22 to 27 .....					

SCHEDULE D - SUMMARY BY COUNTRY

Long-term Bonds and stocks OWNED December 31 of Current Year

Description			1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1.	United States .....	.....	.....	.....	.....
	2.	Canada .....	.....	.....	.....	.....
	3.	Other Countries .....	.....	.....	.....	.....
	4.	Totals .....	.....	.....	.....	.....
States, Territories and Possessions (Direct and Guaranteed)	5.	United States .....	.....	.....	.....	.....
	6.	Canada .....	.....	.....	.....	.....
	7.	Other Countries .....	.....	.....	.....	.....
	8.	Totals .....	.....	.....	.....	.....
Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)	9.	United States .....	.....	.....	.....	.....
	10.	Canada .....	.....	.....	.....	.....
	11.	Other Countries .....	.....	.....	.....	.....
	12.	Totals .....	.....	.....	.....	.....
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13.	United States .....	.....	.....	.....	.....
	14.	Canada .....	.....	.....	.....	.....
	15.	Other Countries .....	.....	.....	.....	.....
	16.	Totals .....	.....	.....	.....	.....
Public Utilities (unaffiliated)	17.	United States .....	.....	.....	.....	.....
	18.	Canada .....	.....	.....	.....	.....
	19.	Other Countries .....	.....	.....	.....	.....
	20.	Totals .....	.....	.....	.....	.....
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21.	United States .....	.....	.....	.....	.....
	22.	Canada .....	.....	.....	.....	.....
	23.	Other Countries .....	.....	.....	.....	.....
	24.	Totals .....	.....	.....	.....	.....
Parent, Subsidiaries and Affiliates	25.	Totals .....	.....	.....	.....	.....
	26.	Total Bonds .....	.....	.....	.....	.....
PREFERRED STOCKS Public Utilities (unaffiliated)	27.	United States .....	NONE	.....	.....	.....
	28.	Canada .....		.....	.....	.....
	29.	Other Countries .....		.....	.....	.....
	30.	Totals .....		.....	.....	.....
Banks, Trust and Insurance Companies (unaffiliated)	31.	United States .....	.....	.....	.....	.....
	32.	Canada .....	.....	.....	.....	.....
	33.	Other Countries .....	.....	.....	.....	.....
	34.	Totals .....	.....	.....	.....	.....
Industrial and Miscellaneous (unaffiliated)	35.	United States .....	.....	.....	.....	.....
	36.	Canada .....	.....	.....	.....	.....
	37.	Other Countries .....	.....	.....	.....	.....
	38.	Totals .....	.....	.....	.....	.....
Parent, Subsidiaries and Affiliates	39.	Totals .....	.....	.....	.....	.....
	40.	Total Preferred Stocks .....	.....	.....	.....	.....
COMMON STOCKS Public Utilities (unaffiliated)	41.	United States .....	.....	.....	.....	.....
	42.	Canada .....	.....	.....	.....	.....
	43.	Other Countries .....	.....	.....	.....	.....
	44.	Totals .....	.....	.....	.....	.....
Banks, Trust and Insurance Companies (unaffiliated)	45.	United States .....	.....	.....	.....	.....
	46.	Canada .....	.....	.....	.....	.....
	47.	Other Countries .....	.....	.....	.....	.....
	48.	Totals .....	.....	.....	.....	.....
Industrial and Miscellaneous (unaffiliated)	49.	United States .....	.....	.....	.....	.....
	50.	Canada .....	.....	.....	.....	.....
	51.	Other Countries .....	.....	.....	.....	.....
	52.	Totals .....	.....	.....	.....	.....
Parent, Subsidiaries and Affiliates	53.	Totals .....	.....	.....	.....	.....
	54.	Total Common Stocks .....	.....	.....	.....	.....
	55.	Total Stocks .....	.....	.....	.....	.....
	56.	Total Bonds and Stocks .....	.....	.....	.....	.....

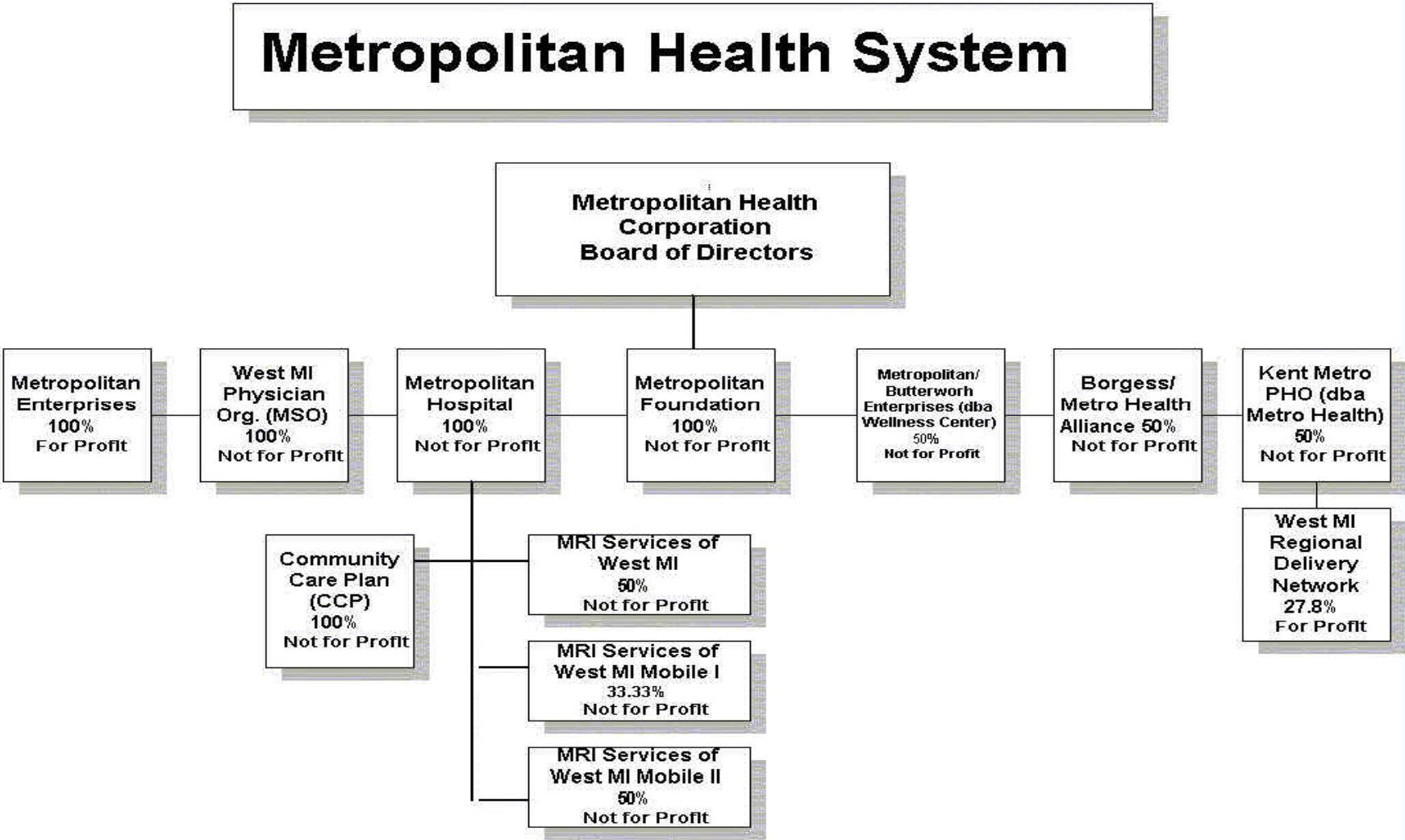
(a) The aggregate value of bonds which are valued at other than actual market is \$.....

SCHEDULE D - Verification Between Years

1. Book/adjusted carrying value of bonds and stocks, prior year.	621,879	6. Foreign Exchange Adjustment	
2. Cost of bonds and stocks acquired, Column 6, Part 3.....	30,230	6.1 Column 17, Part 1.....	
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Section 1.....	
3.1 Column 16, Part 1.....		6.3 Column 11, Part 2, Section 2.....	
3.2 Column 12, Part 2, Section 1.....		6.4 Column 11, Part 4.....	
3.3 Column 10, Part 2, Section 2.....		7. Book/adjusted carrying value at end of current period.....	0
3.4 Column 10, Part 4.....		8. Total valuation allowance.....	
4. Total gain (loss), Column 14, Part 4.....	(4,903)	9. Subtotal (Lines 7 plus 8).....	0
5. Deduct consideration for bonds and stocks disposed of		10. Total nonadmitted assets.....	
Column 6, Part 4.....	647,206	11. Statement value of bonds and stocks, current period.....	0

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART

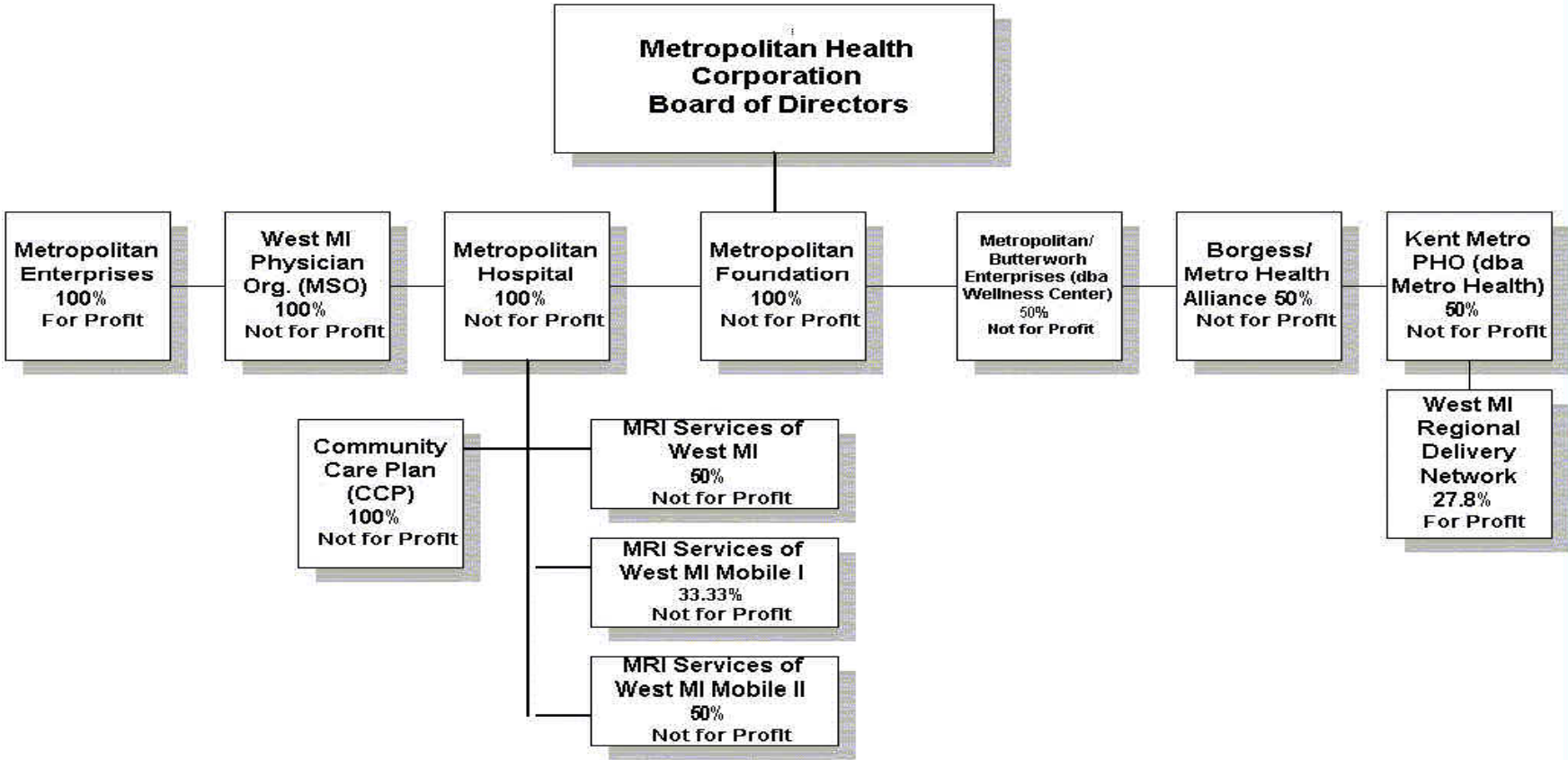
54



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART

Metropolitan Health System

54.1





SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

			1	2	Direct Business Only			
			Guaranty Fund (Yes or No)	Is Insurer Licensed (Yes or No)	3	4	5	6
State, Etc.					Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums
1.	Alabama	AL	No	No				
2.	Alaska	AK	No	No				
3.	Arizona	AZ	No	No				
4.	Arkansas	AR	No	No				
5.	California	CA	No	No				
6.	Colorado	CO	No	No				
7.	Connecticut	CT	No	No				
8.	Delaware	DE	No	No				
9.	District of Columbia	DC	No	No				
10.	Florida	FL	No	No				
11.	Georgia	GA	No	No				
12.	Hawaii	HI	No	No				
13.	Idaho	ID	No	No				
14.	Illinois	IL	No	No				
15.	Indiana	IN	No	No				
16.	Iowa	IA	No	No				
17.	Kansas	KS	No	No				
18.	Kentucky	KY	No	No				
19.	Louisiana	LA	No	No				
20.	Maine	ME	No	No				
21.	Maryland	MD	No	No				
22.	Massachusetts	MA	No	No				
23.	Michigan	MI	No	Yes			44,148,540	
24.	Minnesota	MN	No	No				
25.	Mississippi	MS	No	No				
26.	Missouri	MO	No	No				
27.	Montana	MT	No	No				
28.	Nebraska	NE	No	No				
29.	Nevada	NV	No	No				
30.	New Hampshire	NH	No	No				
31.	New Jersey	NJ	No	No				
32.	New Mexico	NM	No	No				
33.	New York	NY	No	No				
34.	North Carolina	NC	No	No				
35.	North Dakota	ND	No	No				
36.	Ohio	OH	No	No				
37.	Oklahoma	OK	No	No				
38.	Oregon	OR	No	No				
39.	Pennsylvania	PA	No	No				
40.	Rhode Island	RI	No	No				
41.	South Carolina	SC	No	No				
42.	South Dakota	SD	No	No				
43.	Tennessee	TN	No	No				
44.	Texas	TX	No	No				
45.	Utah	UT	No	No				
46.	Vermont	VT	No	No				
47.	Virginia	VA	No	No				
48.	Washington	WA	No	No				
49.	West Virginia	WV	No	No				
50.	Wisconsin	WI	No	No				
51.	Wyoming	WY	No	No				
52.	American Samoa	AS	No	No				
53.	Guam	GU	No	No				
54.	Puerto Rico	PR	No	No				
55.	U.S. Virgin Islands	VI	No	No				
56.	Canada	CN	No	No				
57.	Aggregate other alien	OT	X X X	X X X				
58.	TOTAL (Direct Business)		X X X	1			44,148,540	
DETAILS OF WRITE-INS								
5701								
5702								
5703								
5798.	Summary of remaining write-ins for Line 57 from overflow page							
5799.	TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above)							